

**Consolidated financial results for the
three months period ended
31 March 2016
(unaudited)**



Granolio

General information on Granolio d.d.

GRANOLIO d.d. ("The Company") is a joint-stock company registered with the Commercial Court of Zagreb, Croatia.

The Company's tax number (OIB) is 59064993527, and its registration number (MBS) 080111595.

The Company's headquarter is located in Zagreb at Budmanijeva 5.

Subsidiaries

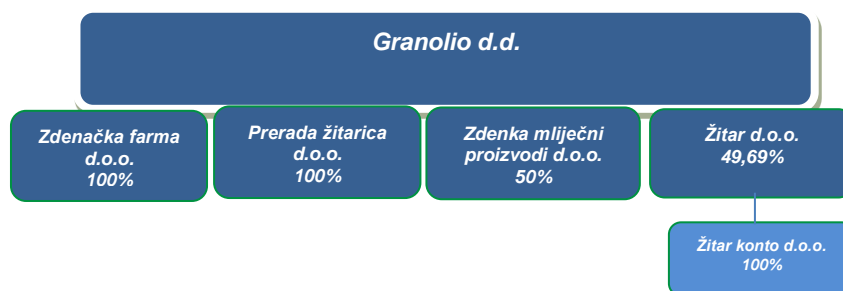
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada Žitarica d.o.o. companies.

It has a controlling influence in the decision-making process in the Zdenka mliječni proizvodi d.o.o. and Žitar d.o.o. companies. The above companies have been consolidated into the Granolio Group since 2011.

Subsidiary Žitar d.o.o. has founded another company, Žitar konto d.o.o., which is fully owned by it. Žitar konto d.o.o. financial statements are part of the consolidated financial statements.

The Company also holds minority interests in the Žitozajednica d.o.o., Zagrebačke pekare Klara d.o.o. and Prehrana trgovina d.d. companies.

Ownership in subsidiaries is presented in the organizational chart below:



The Group monitors its business operations through four business segments:

- Milling
- Dairy and cheese production
- Wholesale trade
- Other

Milling is the segment that comprises flour production and sale of flour. This business segment is comprised in the holding company exclusively.

Dairy and cheese production („Dairy“) comprises cheese production and cheese sale realized in the company Zdenka – mliječni proizvodi d.o.o., but also milk production and sale of milk by dairy farms in the companies Zdenačka farma d.o.o. and Žitar d.o.o.

Wholesale trade segment comprises grain and oilseed trade and trade of sowing materials performed by the companies Granolio d.d. and Žitar d.o.o.

The segment Other comprises animal feed production (Žitar d.o.o.), pig farming and beef cattle farming (Žitar d.o.o., beef cattle farming in the company Granolio d.d.), and rendering the silo services and the storage of trade goods (Granolio d.d., Žitar d.o.o. and Prerada žitarica d.o.o.).

Granolio Group's financial indicators for the first three months period of 2016

in thousands of HRK

	1-3 2016	1-3 2015	change	
Operating income	202,419	194,339	8,080	4%
Operating expenses	(198,371)	(191,516)	(6,855)	4%
EBIT	4,048	2,823	1,224	43%
<i>EBIT margin</i>	2%	1%		
EBITDA	11,759	10,417	1,343	13%
<i>EBITDA margin</i>	6%	5%		
Net financial result	(6,790)	(7,703)	913	12%
Net result for the period	(2,742)	(4,879)	2,137	44%
<i>Result attributable to the Group</i>	(3,249)	(2,064)	(1,185)	-57%
<i>Minority interest</i>	507	(2,815)	3,322	118%

Compared to the same period last year, operating income of the Granolio Group has increased by 4%, what is the result of growth in the dairy segment, i.e. cheese production, and wholesale of grains.

In comparison to the same period last year, operating result before financial income and expenses and tax (EBIT) has significantly improved. Other than better results realized from operating activities, one of the reasons for it is also that EBIT for the first three months period of 2015 comprised one-off expenses which are the result of rationalization of the production process, while in the three months period of 2016 no such costs incurred.

Financial indicators

in thousands of HRK

	31.3.2016	31.12.2015	change	
Net assets (Capital and reserves)	288,911	232,519	56,392	24%
Total debt	509,842	543,868	(34,026)	-6%
Cash and cash equivalents	1,167	22,426	(21,259)	-95%
Financial assets	29,635	29,770	(135)	0%
Net debt	479,039	491,672	(12,633)	-3%
Net debt/EBITDA	6.5	6.8		
EBITDA for the last 12 months	73,720	72,377		

* Financial assets are comprised of financial loans, securities and deposits

The Group's net debt during the three months period has decreased by HRK 12.6 million, thereby financial leverage ratio, which represents the correlation of net debt to the value of EBITDA in the last 12 months, is more favourable.

Employees

In the first three months period of 2016 the Group employed 466 employees based on man-hour basis (in the first quarter of 2015: 479 employees).

Environment

Regarding the environmental protection, the Group has implemented comprehensive and systematic solutions and established environment-friendly production processes.

Other

Supervisory Board has approved Granolio Group's financial statements for the first three months period of 2016.

Annex 1.

Reporting period

1.1.2016

to

31.3.2016

Quarterly financial report TFI-POD

Tax number (MB): 01244272

Company registration number (MBS): 080111595

Personal identification number (OIB): 59064993527

Issuing company: GRANOLIO d.d.

Postal code and place: 10000

Zagreb

Street and house number: BUDMANIJEVA 5

E-mail address: granolio@granolio.hrInternet address: www.granolio.hr

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 476

(period end)

Consolidated report: YES

NKD code: 1061

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

GRANOLIO D.D.	ZAGREB	01244272
ZDENAČKA FARMA D.O.O.	VELIKI ZDENCI	02095777
PRERADA ŽITARICA D.O.O.	GRUBIŠNO POLJE	02095696
ZDENKA - MLIJEČNI PROIZVODI D.O.O.	VELIKI ZDENCI	01623982
ŽITAR D.O.O.	DONJI MIHOLJAC	01443119
ŽITAR KONTO D.O.O.	DONJI MIHOLJAC	04212517

Bookkeeping service:

Contact person: JASENKA KORDIĆ

(only surname and name)

Telephone: 01/6320261

Telefaks: 01/6320224

E-mail address: jkordic@granolio.hr

Family name and name: HRVOJE FILIPOVIĆ

(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as of 31.03.2016.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	596.406.028	591.608.756
I. INTANGIBLE ASSETS (004 do 009)	003	188.875.484	188.403.333
1. Assets development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	121.134.245	121.078.595
3. Goodwill	006	60.379.072	60.379.072
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	7.362.167	6.945.667
II. TANGIBLE ASSETS (011 do 019)	010	377.614.949	374.072.316
1. Land	011	27.362.704	27.405.304
2. Buildings	012	234.107.824	232.294.287
3. Plant and equipment	013	73.907.486	70.982.227
4. Tools, working inventory and transportation assets	014	3.051.261	3.722.001
5. Biological assets	015	11.399.835	11.195.351
6. Prepayments for tangible assets	016	326.290	550.910
7. Tangible assets in progress	017	24.522.991	25.005.452
8. Other tangible assets	018	85.030	84.550
9. Investments in buildings	019	2.851.529	2.832.232
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	29.900.594	29.118.107
1. Investments (shares) with related parties	021		
2. Loans given to related parties	022		
3. Participating interest (shares)	023	20.472.190	20.472.190
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	9.428.404	8.645.917
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 do 032)	029	15.000	15.000
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032	15.000	15.000
V. DEFERRED TAX ASSET	033		0
C) SHORT TERM ASSETS (035+043+050+058)	034	355.387.854	330.739.399
I. INVENTORIES (036 do 042)	035	108.938.185	79.529.982
1. Raw materials and supplies	036	56.935.548	27.500.589
2. Work in progress	037	10.424.738	11.006.610
3. Finished goods	038	25.790.300	18.755.257
4. Merchandise	039	15.731.197	22.251.534
5. Prepayments for inventories	040	56.402	15.993
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	194.253.687	220.407.243
1. Receivables from related parties	044	507.912	511.456
2. Accounts receivable	045	172.973.897	200.806.659
3. Receivables from participating parties	046	522.223	563.473
4. Receivables from employees and members of related parties	047	34.063	42.381
5. Receivables from government and other institutions	048	13.536.152	7.890.360
6. Other receivables	049	6.679.440	10.592.914
III. SHORT TERM FINANCIAL ASSETS (051 do 057)	050	29.770.051	29.634.917
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	20.120.844	20.120.845
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055	696.026	695.738
6. Loans, deposits, etc.	056	8.953.181	8.818.334
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	22.425.931	1.167.257
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	5.307.462	4.229.394
E) TOTAL ASSETS (001+002+034+059)	060	957.101.343	926.577.549
F) OFF-BALANCE RECORDS	061	16.245.585	40.499.255

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	232.514.314	229.773.828
I. SUBSCRIBED SHARE CAPITAL	063	19.016.430	19.016.430
II. CAPITAL RESERVES	064	84.186.547	84.186.547
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	183.484	283.227
1. Reserves prescribed by law	066	183.484	283.227
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	64.473.012	63.745.248
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-5.125.636	6.654.129
1. Retained earnings	073		6.654.129
2. Accumulated loss	074	5.125.636	
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	11.149.791	-3.249.151
1. Profit for the current year	076	11.149.791	
2. Loss for the current year	077		3.249.151
VII. MINORITY INTEREST	078	58.630.686	59.137.399
B) PROVISIONS (080 do 082)	079	249.821	249.821
1. Provisions for pensions, severance pay and similar liabilities	080		
2. Provisions for tax liabilities	081		
3. Other provisions	082	249.821	249.821
C) LONG - TERM LIABILITIES (084 do 092)	083	383.292.405	374.334.823
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085	11.453	11.286
3. Liabilities to banks and other financial institutions	086	366.923.848	358.148.374
4. Liabilities for received prepayments	087		
5. Accounts payable	088	238.851	238.851
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092	16.118.253	15.936.312
D) SHORT - TERM LIABILITIES (094 do 105)	093	326.691.156	306.071.979
1. Liabilities to related parties	094		3.394
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	96.041.815	89.444.137
4. Liabilities for received prepayments	097	2.882.763	1.769.514
5. Accounts payable	098	130.611.839	137.331.513
6. Liabilities arising from debt securities	099	80.887.770	62.249.178
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	2.337.948	2.311.355
9. Liabilities for taxes, contributions and similar fees	102	10.775.125	9.629.343
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	3.153.896	3.333.544
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	14.353.647	16.147.098
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	957.101.343	926.577.549
G) OFF-BALANCE RECORDS	108	16.245.585	40.499.255
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	173.883.628	170.636.429
2. Attributable to minority interest	110	58.630.686	59.137.399

Income statement
period 01.01.2016. to 31.03.2016.

Company: GRANOLIO d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUE (112 do 113)	111	194.338.749	194.338.749	202.418.579	202.418.579
1. Sales revenue	112	189.624.620	189.624.620	197.638.476	197.638.476
2. Other operating revenues	113	4.714.129	4.714.129	4.780.103	4.780.103
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	191.515.662	191.515.662	198.371.073	198.371.073
1. Changes in value of work in progress and finished products	115	-4.134.326	-4.134.326	6.585.426	6.585.426
2. Material costs (117 do 119)	116	170.939.843	170.939.843	167.739.664	167.739.664
a) Raw material and material costs	117	93.295.313	93.295.313	82.616.788	82.616.788
b) Cost of goods sold	118	66.003.332	66.003.332	74.167.928	74.167.928
c) Other external costs	119	11.641.198	11.641.198	10.954.949	10.954.949
3. Staff costs (121 do 123)	120	10.452.769	10.452.769	10.890.548	10.890.548
a) Net salaries and wages	121	6.440.301	6.440.301	6.628.380	6.628.380
b) Tax and contributions from salary expenses	122	2.487.390	2.487.390	2.668.448	2.668.448
c) Contributions on gross salaries	123	1.525.079	1.525.079	1.593.720	1.593.720
4. Depreciation and amortisation	124	7.593.652	7.593.652	7.693.834	7.693.834
5. Other costs	125	3.788.292	3.788.292	1.766.427	1.766.427
6. Impairment (127+128)	126	0	0	18.081	18.081
a) Impairment of long-term assets (financial assets excluded)	127	0	0	0	0
b) Impairment of short - term assets (financial assets excluded)	128	0	0	18.081	18.081
7. Provisions	129	0	0	0	0
8. Other operating costs	130	2.875.432	2.875.432	3.677.092	3.677.092
III. FINANCIAL INCOME (132 do 136)	131	1.103.675	1.103.675	1.682.451	1.682.451
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	1.934	1.934	0	0
2. Interest income, foreign exchange gains, dividends and similar income from non - related parties and other entities	133	1.101.740	1.101.740	1.682.451	1.682.451
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	0	0
4. Unrealized gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	0	0	0	0
IV. FINANCIAL EXPENSES (138 do 141)	137	8.806.201	8.806.201	8.472.291	8.472.291
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138	0	0	0	0
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non - related parties and other entities	139	8.805.070	8.805.070	8.383.947	8.383.947
3. Unrealized losses (expenses) on financial assets	140	0	0	60.000	60.000
4. Other financial expenses	141	1.131	1.131	28.344	28.344
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142	0	0	0	0
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	195.442.424	195.442.424	204.101.030	204.101.030
X. TOTAL EXPENSES (114+137+143+145)	147	200.321.863	200.321.863	206.843.364	206.843.364
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-4.879.439	-4.879.439	-2.742.334	-2.742.334
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	4.879.439	4.879.439	2.742.334	2.742.334
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-4.879.439	-4.879.439	-2.742.334	-2.742.334
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	4.879.439	4.879.439	2.742.334	2.742.334
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	155	-5.269.393	-5.269.393	-3.249.151	-3.249.151
2. Attributable to minority interest	156	389.954	389.954	506.817	506.817
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-4.879.439	-4.879.439	-2.742.334	-2.742.334
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long - term tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign countries	163				
6. Share in other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-4.879.439	-4.879.439	-2.742.334	-2.742.334
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	169	-5.269.393	-5.269.393	-3.249.151	-3.249.151
2. Attributed to minority interest	170	389.954	389.954	506.817	506.817

Cash flow statement - indirect method
period 01.01.2016. to 31.03.2016.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-4.879.439	-2.742.334
2. Depreciation and amortisation	002	7.593.652	7.693.834
3. Increase in short term liabilities	003	53.669.275	5.067.850
4. Decrease in short term receivables	004		
5. Decrease in inventories	005	28.985.605	30.006.098
6. Other increase in cash flow	006	4.105.314	6.180.090
I. Total increase in cash flow from operating activities (001 to 006)	007	89.474.407	46.205.538
1. Decrease in short term liabilities	008		
2. Increase in short term receivables	009	32.194.395	26.766.503
3. Increase in inventories	010		
4. Other decrease in cash flow	011	2.539.434	2.117.581
II. Total decrease in cash flow from operating activities (008 to 011)	012	34.733.829	28.884.084
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	54.740.578	17.321.454
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	46.621	151.281
2. Cash inflows from sales of equity and debt instruments	016	22.186.444	679.767
3. Interests receipts	017	4.445.745	4.683.010
4. Dividend receipts	018	0	0
5. Other cash inflows from investing activities	019	38.922	34.946
III. Total cash inflows from investing activities (015 to 019)	020	26.717.732	5.549.004
1. Cash outflow for purchase of long-term tangible and intangible assets	021	1.795.890	3.379.767
2. Cash outflow for acquisition of equity and debt financial instruments	022	20.250.000	8.918
3. Other cash outflow for investing activities	023	12.553	25.000
IV. Total cash outflow for investing activities (021 do 023)	024	22.058.443	3.413.685
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	4.659.289	2.135.319
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	0	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	233.352.394	42.897.452
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	233.352.394	42.897.452
1. Cash outflow for repayment of credit principal and bonds	031	212.839.672	56.471.752
2. Cash outflow for dividends paid	032	0	0
3. Cash outflow for financial lease	033	1.060.097	667.294
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	76.026.604	26.473.853
VI. Total cash outflow for financial activities (031 to 035)	036	289.926.373	83.612.899
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	56.573.979	40.715.447
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	2.825.888	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	21.258.674
Cash and cash equivalents at the beginning of the period	041	3.350.236	22.425.931
Increase of cash and cash equivalents	042	2.825.888	0
Decrease of cash and cash equivalents	043	0	21.258.674
Cash and cash equivalents at the end of the period	044	6.176.124	1.167.257

STATEMENT OF CHANGES IN EQUITY

period **1.1.2016** to **31.3.2016**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	19.016.430	19.016.430
2. Capital reserves	002	84.956.364	84.186.547
3. Reserves from profit	003	183.484	283.227
4. Retained earnings or accumulated loss	004	-8.747.212	6.654.129
5. Profit or loss for the current year	005	-5.269.393	-3.249.151
6. Revaluation of long - term tangible assets	006	67.384.068	63.745.248
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009	0	0
10. Total capital and reserves (AOP 001 to 009)	010	157.523.740	170.636.429
11. Currency gains and losses arising from net investment in foreign operations	011		
12. Current and deferred taxes (part)	012	0	181.941
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016	-5.651.023	-3.429.140
17. Total increase or decrease in capital (AOP 011 to 016)	017	-5.651.023	-3.247.199
17 a. Attributed to equity holders of parent company	018	-5.651.023	-3.247.199
17 b. Attributed to minority interest	019		



Granolio

Granolio d.d.
Budmanijeva 5, HR-10000 Zagreb
tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: granolio@granolio.hr; http://www.granolio.hr


Zagreb, 28 April 2016

Statement of Executives responsible for preparing financial statements for the three months period


Pursuant to the current Croatian Accounting Act (Official Gazette 109/07), the Management Board is required to ensure that the financial statements of Granolio d.d. for each financial period are prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and that they give a true and fair view of the financial position and results of the Company's operations in the given period.

To the best of our knowledge, the complete shorten set of unaudited financial statements for the three months period give a true presentation of the Company's position as at 31 March 2016.

Reports prepared by:



Jasenka Kordic
Accounting Director

 **Granolio**
d.d., Budmanijeva 5
Zagreb

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MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka, IBAN HR1423400091110416692 Privredna banka Zagreb, IBAN HR5123900011100014261 Hrvatska poštanska banka Zagreb; temeljni kapital: 19.016.430,00 kn uplaćen u cijelosti podijeljen na 1.901.643 redovnih dionica serije A nominalnog iznosa 10,00 kn; tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir Kalčić, Drago Šurina i Tomislav Kalafatić, predsjednik Nadzornog odbora: Franjo Filipović



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In Zagreb, 28 April 2016

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08 and 74/09) the President of the Management Board of the Company Granolio d.d., Budmanijeva 5, Zagreb provides:

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The separate and consolidated financial statements of Granolio d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

The non-consolidated and consolidated financial statements for the period from 1 January 2016 till 31 March 2016 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the three months period ended 31 March 2016 presents true and fair presentation of development and results of the Company's operations with description of significant risks and uncertainties the Company is facing.

President of the Management Board

Hrvoje Filipović



Granolio
d.d., Budmanijeva 5
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